

Message Text

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ACTION SS-30

INFO OCT-01 ISO-00 /031 W

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R 100925Z JUN 74

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 2743

C O N F I D E N T I A L JAKARTA 7109

EXDIS

E.O. 11652: GDS

TAGS: EFIN, BEXP, ID, EXIM

SUBJ: ADVANCE REPAYMENT OF OUTSTANDING GOI DEBT TO EXIM BANK

REF: STATE 112542

1. IN CONVERSATION WITH AMBASSADOR JUNE 10, MINISTER OF DEVELOPMENT WIDJOJO RAISED CERTAIN QUESTIONS REGARDING EXIM ROLE IN INDONESIA. QUESTIONS DUPLICATED THOSE MINISTER OF FINANCE WARDHANA HAS BEEN REQUESTED RAISE WITH EXIM PRESIDENT CASEY DURING WARDHANA CURRENT VISIT WASHINGTON. SALEH AFIFF, WHO RECENTLY MET WITH EXIM IN WASHINGTON, WAS WITH WIDJOJO IN MEETING.

2. GOI HAD JUST RECEIVED WORD FROM INDONESIAN EMBASSY WASHINGTON OF EXIM REFUSAL TO FINANCE COST OVERRUN IN SEMARANG POWER STATION. WIDJOJO AND SALEH AFIFF EXPRESSED DEEN DISAPPOINTMENT. AMBASSADOR EXPLAINED COST OVERRUN WAS UNPOPULAR TYPE OF PROJECT BOTH IN AID AND EXIM. EXIM WOULD MUCH PREFER CONSIDER PROJECTS WITHOUT SUCH HISTORY. SEMARANG REFUSAL SHOULD NOT BE TAKEN TO INDICATE GENERAL ATTITUDE EXIM TOWARD INDONESIA.

3. WIDJOJMSAID WARDHANA BEING REQUESTED RAISE WITH BANK (A) WHETHER BANK COULD NOT SEND ADVANCE TEAM TO JAKARTA IN VIEW INDONESIAN PROBLEM OF SPARING PERSONNEL FOR VISIT TO WASHINGTON; (B) WHETHER EXIM PREPARED REVIVE CONSIDERATION OF OPERATING AGREEMENT WHICH WILL HELP
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GOI TO CHANNEL AND DISCIPLINE ACTIONS RE EXIM BORROWING;

AND (C) PROCEDURES INVOLVED IN ARRANGING PRIVATE FINANCING IN CONNECTION WITH EXIM LOANS AND GUARANTEES.

4. WIDJOJO SAID THAT WHATEVER ARRANGEMENTS ARE FINALLY DECIDED FOR ADVANCE TEAM, HE WOULD LIKE TO BEGIN CONSULTATIONS NOW WITH EMBASSY/AID TO SCREEN AND DEVELOP A LIST OF PROJECTS TO BE PROPOSED BY GOI FOR EXIM CONSIDERATION. WIDJOJO ALSO MENTIONED CONCERN OVER EXIIM REQUIREMENT FOR ADVANCE REPAYMENT OF PRIOR LOANS, WHICH QUESTION HAD ALSO BEEN RAISED IN WASHINGTON WITH SALEH AFIFF. AMBASSADOR DREW ON PARA 5 REFTEL TO STATE THAT MATTER SEEMED CURRENTLY TO BE DORMANT.

5. ACTION REQUESTED: DEPENDING ON RESULTS EXIM MEETING WITH MINISTER FINANCE WARDHANA, EMBASSY WOULD WELCOME INSTRUCTIONS ON: (A) POSSIBLE DATES OF CASEY VISIT; B) FINAL DECISION ON WHICH COUNTRY WILL SEND ADVANCE TEAM; AND C) AUTHORIZATION AND INSTRUCTIONS FOR EMBASSY TO HOLD ADVANCE DISCUSSIONS ON POSSIBLE AREAS OF EXIM INTERESTS.
NEWSOM

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Message Attributes

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